



# KANSAS DEPARTMENT ON AGING

*Bill Graves, Governor*

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## STRATEGIC PLAN

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# Introduction

In August 1999 the Kansas Department on Aging (KDOA) published "A Critical Look Into the Future" identifying some of the many variables that could affect the Kansas aging services system in an increasingly challenging environment of accelerating growth in the aging population and restricted growth in public resources.<sup>1</sup> Subsequent research tells us there will be many attempts to predict what the future landscape will look like, but today we have only a few firm conclusions.

According to the Administration on Aging (AoA), the older population will continue to grow significantly in the future. This growth slowed somewhat during the 1990's because of the relatively small number of babies born during the Great Depression of the 1930's. But the older population will burgeon between the years 2010 and 2030 when the "baby boomer" generation, those born between 1946 and 1964, reaches age 65. By 2030, there will be about 70 million persons aged 65 or older, more than twice their 1999 number. Today people 65 or older represent almost 13% of the population but are expected to grow to be 20% of the population by 2030.<sup>2</sup> This statistical trend has a parallel in Kansas with the year 2000 population of approximately 359,000 persons aged 65 or older and projections of approximately 605,000 persons 65 or older in the year 2030.<sup>3</sup>

Forecasts of the exact number of elderly who will need long term care are uncertain because of differing conclusions about the effect of better health care and lifestyle practices of the boomer population. Predicting the magnitude and composition of the growth in the elderly needing long term care services is complicated by several factors. Some researchers argue that medical advances have increased life expectancy but have not changed the onset of illness. They predict that declining death rates may actually increase the need for long term care if more people live to develop age-related disabling conditions or live longer with existing disabilities. Others argue that disability is becoming increasingly compressed into a shorter portion of the life span, decreasing the number of years long term care is needed.<sup>4</sup> However, even if the rosiest scenario prevails, we can predict the number of persons needing long term care will be considerably larger than it is today. We know that the most rapidly growing age group - individuals 85 and older that are most likely to require long term care - will more than double from about 3.9 million to about 8.5 million from 2000 to 2030. By 2050 it will more than double again to about 18 million individuals. Based on best and worst case scenarios, the number of baby boomers who will need long term care ranges from two to four times the current number of functionally impaired elderly.<sup>5</sup>

How this will translate into the need for public spending on long term care services will depend on the private resources available to provide for these services. Based on an assumption that real wages will continue to grow and that Social Security, private pensions, and health expenditures will remain stable, the baby boomers, in general, are expected to be wealthier in retirement than their parents, with resources to purchase services when needed. Those who are single or less well educated, or who do not own homes, however, may not do as well.<sup>6</sup> Clearly the sheer increase in population will have an effect. A study projecting future retirement income of elderly Kansans conducted by the Employee Benefits Research Institute (EBRI) predicts an increasing gap between income and needs that could total \$700,000,000 by the year 2031, even if Medicaid and other public expenditures are unchanged.<sup>7</sup>

At the same time that many baby boomers will have greater financial resources, they will have fewer social resources. Geographic dispersion of families and the large percentage of women who work outside the home may reduce the number of caregivers available to elderly baby boomers to provide

unpaid care. Under those circumstances, it will be increasingly important to proactively develop labor force availability as well as support those informal caregivers who are available. According to the AoA, the most recent National Long Term Care Survey identified over 7 million people as informal caregivers. These caregivers provide help to 5.2 million older people who live in the community and have at least one functional limitation in their activities of daily living. Among community based persons needing assistance with Activities of Daily Living (ADLs), 65 % depend solely on family and friends, another 30 % supplement family care with paid providers, and a little more than 5 % rely exclusively on paid services. If these caregivers had to be replaced by paid home care, the cost would be \$45-94 billion per year.<sup>8</sup> With the increased demand for paid caregiving at a time of reduced labor force availability, market place economics could severely stress the publicly funded service system competing for workers unless actions are taken today to affect the future.

While many aging boomers will have more financial resources in retirement than their parents, what might be more important is whether they have long term care insurance. Private long term care insurance is seen as a means of reducing the catastrophic financial risk for people needing long term care, and relieving some of the financial burden currently falling on public programs because private resources are quickly expended. There is, however, concern that people are not knowledgeable about the financial impact if they need long term care and the need for purchasing and maintaining a long term care insurance policy at an early age to obtain a reasonable rate. Further, people are not aware of the limitations of Medicare and Medicaid on long term care coverage, and this lack of knowledge decreases demand for long term care insurance. Lastly, there is little incentive for investing in long term care insurance at an early age.<sup>9</sup>

Depending on a public agency's strategic actions today, the above variables could either drive up the future cost of publicly funded services or create an economy of scale that more efficiently uses available public resources. If the future aging system is to make most efficient use of public funds, our policy directions must be clear. We must create a system that is able to respond efficiently and effectively to changes in the demographics, needs, and interests of a not yet aged population when it is aged. We must transition from a system where targeting priorities is based on a rationing philosophy to a system where measurable results guide policy decisions. Program assessment must shift to outcomes with emphasis on results based data rather than compliance with technique. Programs will be measured against demonstrated improvement while management searches for the most effective solutions. Given budget limitations, those programs whose solutions make a difference must be implemented at the expense of existing, less effective activity.<sup>10</sup>

This KDOA Strategic Plan sets out policy directions that are within the control of the Executive and Legislative branches of Kansas and that can impact our State's ability to meet the needs of our senior citizens of the future. These policy directions will guide the development of KDOA's annual business plan and budget requests.

<b>MISSION: To Promote Security, Dignity, and Independence of Kansas Seniors.</b>			
<i>Goal I: Healthy aging with personal and financial independence</i>	<i>Goal II: A continuum of choices in services for seniors</i>	<i>Goal III: High quality services and supports at all levels of individual need</i>	<i>Goal IV: Effective, efficient and affordable services and supports</i>
<b>Expected Outcomes</b>			
<b>1.</b> Seniors and families (others) have access to information and resources. <b>2.</b> More of the senior population is health conscious. <b>3.</b> A healthy senior population will be older before they need paid supports. <b>4.</b> A financially well-situated senior population reduces need for publicly paid services across the service continuum including nursing homes.	<b>1.</b> Seniors live in their family homes later into the life cycle. <b>2.</b> Seniors remain a part of the larger community thereby enhancing their quality of life. <b>3.</b> Transition to nursing home services occurs later in the life cycle. <b>4.</b> Percentage of seniors seeking nursing home placement decreases.	<b>1.</b> Assessments capture a picture of the customer's needs. <b>2.</b> Informal caregivers are appropriately supported in their caregiving role. <b>3.</b> Services provided across the continuum meet senior's expectations for quality. <b>4.</b> Diversification of structure and practices in provision of nursing home services expands the continuum of care options at the local level.	<b>1.</b> Area Agencies on Aging (AAAs) enhance their ability to serve seniors by coordinating and networking within local communities. <b>2.</b> Case management provides a cost effective means to coordinate services. <b>3.</b> AAAs target services to the identified populations. <b>4.</b> Per capita costs for persons served is optimized across the service continuum.
<b>Policy Directions</b>			
<b>Ia.</b> Maximize individuals' abilities to meet their own needs in their senior years. <b>Ib.</b> Establish a formal system for educating Kansans on senior issues. <b>Ic.</b> Promote volunteer and employment opportunities.	<b>IIa.</b> Expand availability of service options. <b>IIb.</b> Support seniors in self-determination. <b>IIc.</b> Support quality of life issues.	<b>IIIa.</b> Align the regulation, funding, and management of services and supports to achieve high quality outcomes. <b>IIIb.</b> Establish benchmarks for effective service provision. <b>IIIc.</b> Support establishment of a stable force of motivated and knowledgeable direct service workers.	<b>IVa.</b> Promote informal caregiving networks. <b>IVb.</b> Maximize public and private cost sharing. <b>IVc.</b> Establish benchmarks for efficient service provision. <b>IVd.</b> Support individualized plans of care that integrate federal, state, local, and informal services. <b>IVe.</b> Provide coordination and communication between the federal agencies, state agencies, and local agencies, and between the public and private sectors.

## Strategies

1. Provide both young and mature Kansans with objective, accessible and useful information for preparation for healthy aging, retirement, and long term care.	1. Expand the use of assistive devices, innovative technology, and home modifications to enable individuals to reduce dependence on paid supports to meet their daily needs.	1. Support nursing homes to pursue progressive home-like environments.	1. Retool long term care into a seamless system to optimize funding streams and control costs. (LTCTF, Goal 3, Strategy 4)
2. Expand availability and use of mechanisms for private financing of long term care: <ul style="list-style-type: none"> <li>• Expand public/private partnerships to educate on necessity for long term care planning,</li> <li>• Monitor Medicare option of including a Part D benefit,</li> <li>• Establish tax credits and incentive programs by government and business.</li> </ul>	2. Encourage diversification of the Kansas nursing home system.	2. Collect and analyze consumer focused quality data across all service settings, and use this data (together with other approaches) to improve quality. (LTCTF, Goal 3, Strategy 1)	2. Provide training, education and information to informal caregivers about supportive resources.
3. Encourage greater use of advance directives.	3. Reinvest savings from reduction in nursing home growth into expansion of community based programs.	3. Promote an effective regulatory process.	3. Strengthen and expand employer support of eldercare.

4. Recognize all government agencies, public officials and Kansas communities that promote "age-sensitive" issues.	4. Expand the availability of affordable assisted living, home plus, and other supportive housing options.	4. Support work force development initiatives for long term care staff.	4. Collect and analyze management focused data, including the Elder Count Data Book, across all service settings and use this data to improve efficiency. (LTCTF, Goal 1, Strategy 4)
5. Increase volunteer and employment opportunities.	5. Increase access and long term care to seniors in ethnic and immigrant communities.	5. Cultivate creative recruitment and retention of direct support workers.	5. Determine methods to target priority customers for support with public funding
6. Provide information to the public on the Kansas long term care system using an interactive Internet web site, brochures and publications, and public service announcements. (LTCTF, Goal 1, Strategy 1)	6. Pay targeted family caregivers to provide care.	6. Support AAAs in the implementation of management techniques that result in increased quality of services and supports in each Planning and Service Area.	6. Encourage development of outcomes-based local management.
7. Investigate and, if appropriate, establish a 2-1-1-telephone system to disseminate long term care information in non-crisis situations. (LTCTF, Goal 1, Strategy 2)	7. Provide a variety of options for informal caregivers including volunteer networks of support.		
8. Increase collaboration between aging and mental health systems to appropriately meet senior population needs.	8. Encourage the use of universal design in housing construction and remodeling.		

9. Increase collaboration between aging and substance abuse systems to appropriately meet senior population needs.	9. Increase public understanding of the long term care landscape including end of life issues.		
10. Develop systematic education programs for single elder females of the benefits of home and cost sharing to meet their needs and enhance their quality of life.	10. Expand the current case management system to include development and training on compatibility assessments, budget development and analysis, and other techniques that promote successful home and cost sharing.		

(Strategies amended July 2002)

## References

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4. United States General Accounting Office (GAO). *Baby Boom Generation Presents Financing Challenges*, Testimony Before the Special Committee on Aging, U.S. Senate, 1998.
5. GAO, *op.cit.*
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7. EBRI Education and Research Fund and the Milbank Memorial Fund. *Kansas Future Retirement Income Assessment Project*, presentation to the Kansas Task Force on Long-Term Care, July 2002.
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